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# Iraq

## Status Report

July 22, 2009



Bureau of Near Eastern Affairs  
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## HIGHLIGHTS

- **KRG Officials Comment on Kirkuk, Feud with Central Government (*POLITICAL*, page 4).**
- **Iraqi Delegation to Attend IAMB Meetings (*ECONOMIC*, page 14).**
- **Iraqi Prime Minister Nuri al-Maliki Visits Washington DC to Meet with President Obama and Other Senior U.S. Officials (*DIPLOMATIC*, page 18).**
- **Iraqi Security Forces Independently Provide Security for the Shi'a Pilgrimage without Major Violence (*SECURITY*, page 20).**

## POLITICAL - Governance & Legislation



### Kurds discuss tensions with the Central Government

#### KRG Officials Comment on Kirkuk, Feud with Central Government:

- At election events July 18 and 19, Kurdistan Regional Government President Massoud Barzani reiterated the Kurdish commitment to Article 140 of the Iraqi constitution, which calls for a referendum to decide the status of Kirkuk. President Barzani promised that the KRG will “absolutely not compromise on this issue...on the rights of the people of Kurdistan,” and asserted he will not compromise on the Kurdish claims to Kirkuk. Separately, Kurdish Prime Minister Nechirvan Barzani warned in an interview July 16 that the Kurdistan Regional Government and the Central Government in Baghdad remain deadlocked in efforts to resolve ongoing disputes and noted that fighting might have already erupted between Peshmerga and Iraqi Security Forces if the U.S. military were not in the North.



## POLITICAL - Governance & Legislation

### Kurds discuss tensions with the Central Government

#### Dispute Threatens Ninewa's Provincial Council:

- The 16 Kurdish council members in Ninewa province are refusing any contact with Arab governor Atheel al-Nujaifi and pledged July 19 that they will create a separate council if an agreement with Nujaifi is not achieved. The Kurds claim Nujaifi has been continuously marginalizing them on Ninewa's provincial council and one council member threatened to form a separate council if no solution was found, a move that Nujaifi has characterized as "illegal". However, Nujaifi said dialogue is still an option and a delegation of Sadrists is acting as a mediator. Iraq's government spokesman Ali al-Dabbagh called for dialogue and urged for all elected individuals to be "included."

#### Iraq to Reassess Freezing Individuals' Assets:

- The Government of Iraq announced July 18 that it is considering pardoning Iraqis wrongfully targeted for being close to the Saddam Hussein Regime. The assets of such individuals were frozen after Hussein's 2003 ouster. According to a government spokesman, a bill subject to Parliamentary approval would establish a committee to determine which individuals would be pardoned. The committee will be headed by Deputy Prime Minister al-Issawi, and will also include Iraq's justice minister and other officials.



## POLITICAL - Governance & Legislation



### Kurds discuss tensions with the Central Government

#### U.S. to Resettle Iraqi Palestinians:

- The U.S. agreed to resettle 1,350 Palestinians who were displaced by violence in Iraq. This will be the largest resettlement of Palestinian refugees in the United States. A spokesman from the Department of State indicated that the U.S. is addressing a request from the United Nations High Commissioner for Refugees (UNHCR), which has been aiding an estimated 3,000 Palestinians living in three makeshift camps in the desert near the Syrian-Iraqi border. The refugees will be relocated to several countries. While the U.S. pledged to take the largest number of Iraqi Palestinians, Sweden, the Netherlands, and the UK also agreed to provide support. Until now, 24 Iraqi Palestinian refugees have been resettled in the U.S. while the rest are scheduled to be resettled by the beginning of 2010.

## POLITICAL - Governance & Legislation



### Kurds discuss tensions with the Central Government

#### IHEC Signs Agreement With UN to Train Iraqi Journalists:

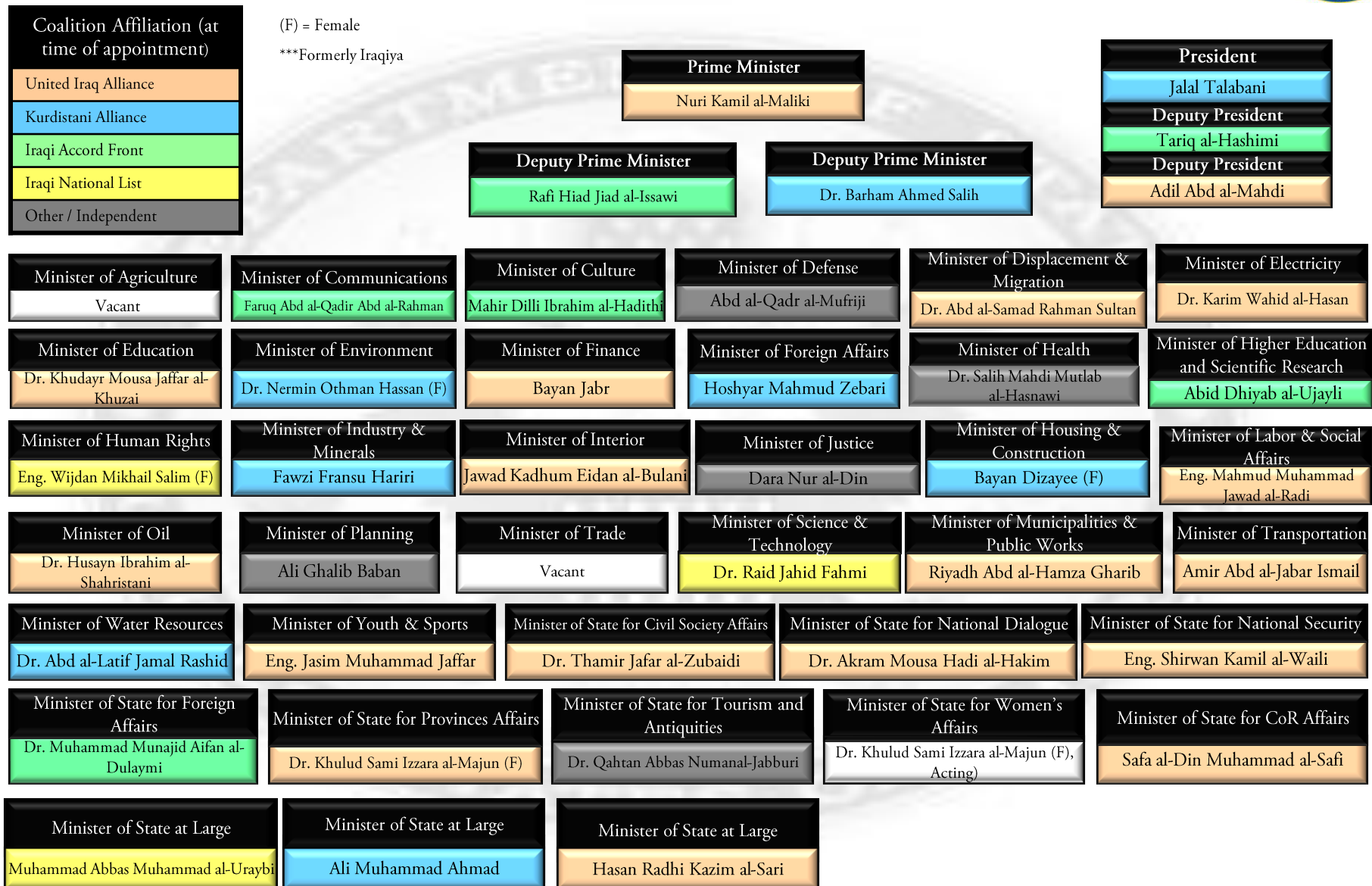
- Judge Qassim al-Abudi, Iraq's chief electoral officer, announced to Radio Free Iraq that the Independent High Electoral Commission (IHEC) signed an agreement with the United Nations Educational, Scientific, and Cultural Organization (UNESCO) to train 100 Iraqi journalists on election coverage. Training will be conducted both inside and outside of Iraq. In addition, IHEC signed an accord with the United Nations Assistance Mission in Iraq (UNAMI) to establish a journalism institute in Iraq that will include a department focused on election coverage. These initiatives are part of IHEC's plan to use local journalists to improve the role of the media in building democracy in Iraq through more effective coverage of elections.

#### Amnesty International Condemns Attacks on Christians:

- Amnesty International USA released a public statement July 14 condemning the recent attacks on Iraq's Christian population and calling for an immediate halt to such violence. The report detailed the specific attacks on churches and noted the other civilian killings and injuries that occurred before and after the June 30 withdrawal of U.S. combat forces from Iraqi cities. The statement noted that direct attacks on civilians and on religious buildings constitute war crimes.



# POLITICAL – Government of Iraq

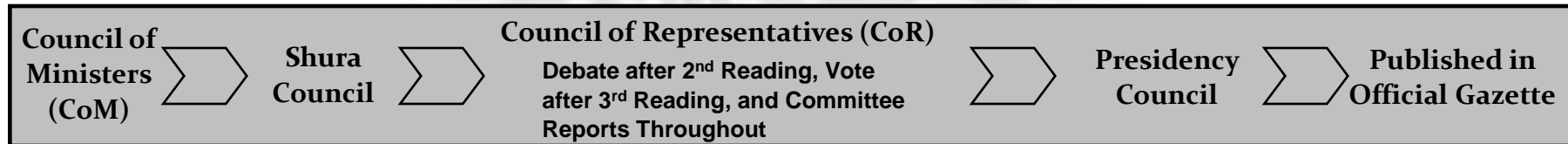






## POLITICAL – Key Legislative Issues

### Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26, 2008 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **NGO Law:** This law will regulate the operations and funding of Non-Governmental Organizations operating within Iraq. It received its first reading in the Council of Representatives on April 20, 2009.
- **National Elections Law:** A draft of a proposed national elections law is in committee but has not been finalized.

## POLITICAL - Refugee Update



- **Regional governments report hosting as many as 2 million Iraqi refugees.**
- **The International Organization for Migration (IOM) estimates that over 2.8 million Iraqis are displaced inside Iraq.**
- **In FY08, the State Department's Bureau of Population, Refugees and Migration contributed \$287.08 million to international organizations and nongovernmental organizations to assist displaced Iraqis inside the country and in the region.**
- **The U.S. admitted 13,823 Iraqi refugees in FY08 (which ended September 30).**
- **Since the program's inception in FY07, 30,108 Iraqi refugees have been admitted for U.S. resettlement; in FY09 alone, the U.S. seeks to admit a minimum of 17,000 Iraqi refugees.**
- **As of March 2009, a total of 375 Special Immigrant Visa (SIVs) have been issued for Iraqi translators and interpreters since FY08 (under the Section 1059 program).**
- **As of March 2009, a total of 641 SIVs have been issued for Iraqis since FY08 (under the Section 1244 program).**

# ECONOMIC – Oil



## Oil prices are rising, but exports and production remain below 2009 targets

Crude Oil Update:

*Price averages in world markets closed with the following prices:*

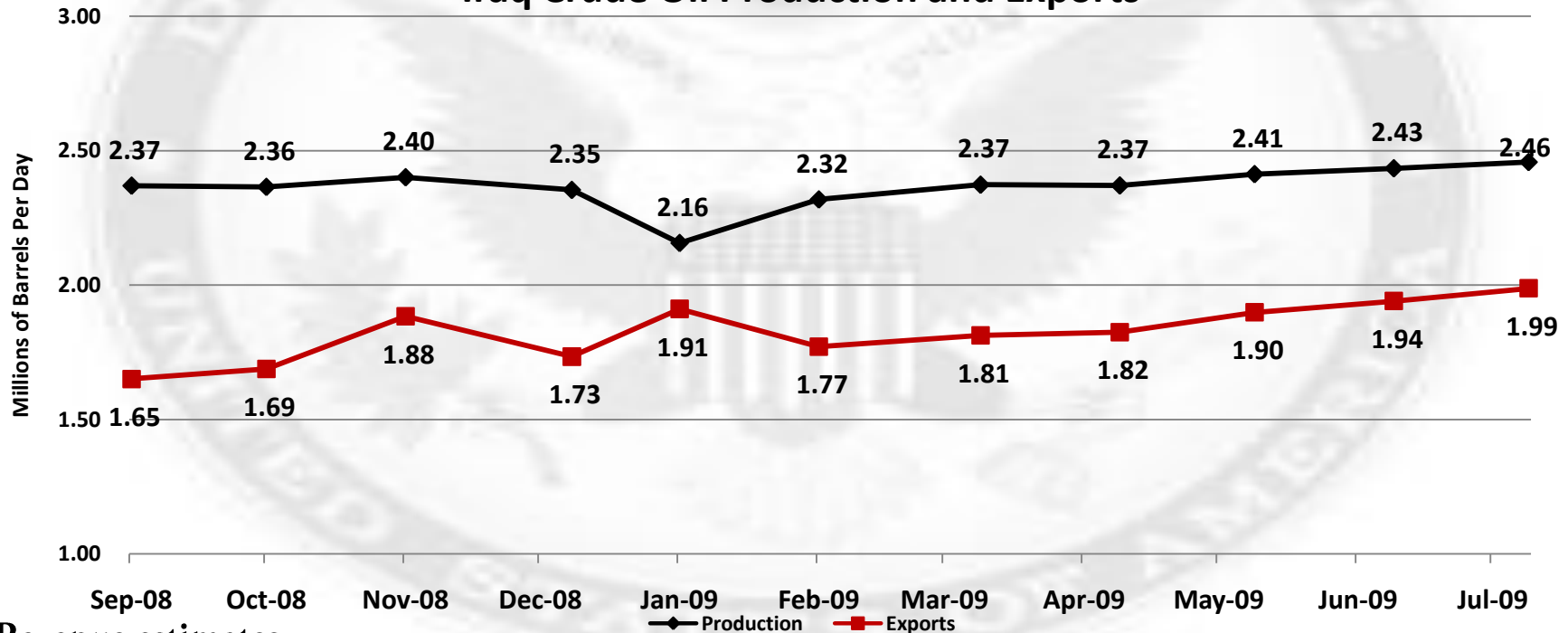
Basrah Light at \$61.71/barrel

Dated Brent at \$62.27/barrel

WTI Cushing at \$59.27/barrel

Oman/Dubai at \$62.54/barrel

### Iraq Crude Oil Production and Exports



Revenue estimates:

2007: \$41.0 Billion

2008: \$61.9 Billion

2009 (ytd): \$ 17.11 Billion\*

\*New revenue formula is used for 2009 that is more accurate, if lower.

## ECONOMIC – Oil



Oil workers union voices its opposition to the bid round results and threaten to disrupt field operations of Rumaila, Iraq's largest field

### South Oil Workers Trade Union Threatens Strike:

- Ali Abbas, the president of the trade union which represents the workers of Iraq's South Oil Company, said July 16 if BP and CNPC attempt to exploit the Rumaila field, the union will stage a sit-in and strike despite warnings from the Ministry of Oil that it will punish workers who attempt to block the development of the Rumaila field. The union contends awarding contracts to BP and CNPC violates Iraqi law. Abbas said the union is capable of mobilizing workers and preventing work on the field. The trade union has around 28,000 registered members.

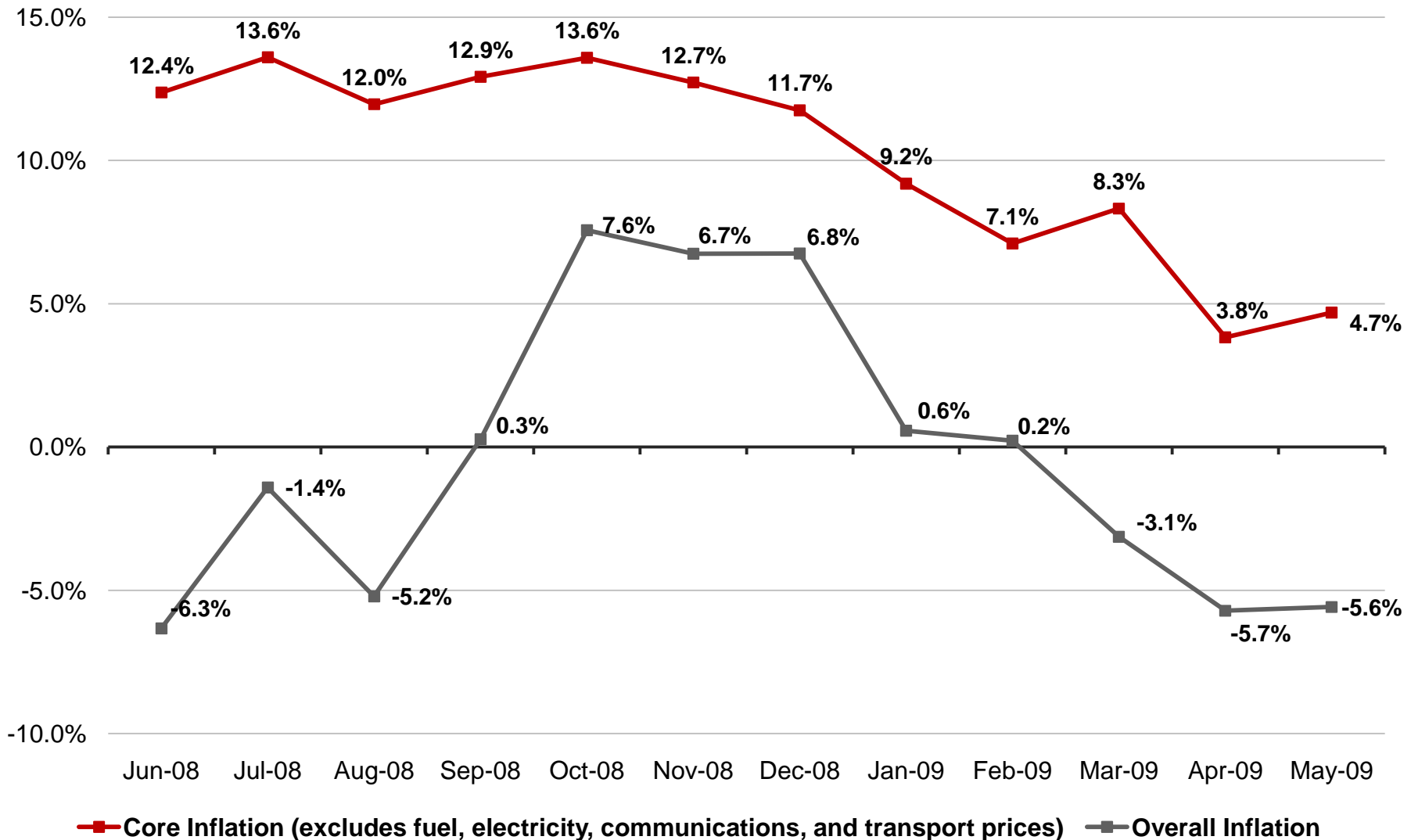
### Kurdish Refinery Opens:

- On July 19, the Kurdistan Regional Government (KRG) celebrated the opening of the Hawler Refinery near Erbil. The Refinery has the capacity to process 75,000 barrels of crude oil per day. The source of the crude oil is the Khurmala Dome, which is part of the Kirkuk field and is considered disputed territory between the federal and regional governments. KRG Prime Minister Nechirvan Barzani hailed this achievement, and invited former U.S. Ambassador Zalmay Khalilzad as a guest of honor.

# ECONOMIC - Fiscal and Monetary Affairs



## Year-on-Year Inflation





## ECONOMIC – Fiscal and Monetary Affairs



An Iraqi delegation in Vienna to discuss the role of the IAMB, the auditing oversight body for Iraq's oil revenues

Economic Indicator	This Week	Last Week	Last Month	Last Year
<b>Iraqi Commercial Bond Sales</b>				
Price (USD)	\$64.30	\$64.37	\$65.95	\$66.08
Yield	10.10%	10.06%	9.83%	10.96%

### Iraqi Delegation to Attend IAMB Meetings:

- A delegation of financial experts from the Iraqi Financial Control Bureau arrived in Vienna July 20 to attend meetings of the International Advisor and Monitoring Board for Iraq (IAMB). According to a statement released by the bureau, “The delegation will also discuss the question of extending IAMB mandate based on UN Security Council Resolution (UNSCR) 1859, the final report of the KPMG firm, recommendations by the Iraqi government on the appointment of an auditor for the Development Fund for Iraq (DFI) for the year 2009, oil sales in the Iraqi Kurdistan region and Iraq's oil service contract tenders among other things.” The IAMB, created under UNSCR 1483, acts as an audit oversight body for the DFI and holds oil revenues as well as the remaining balance of the UN Oil-for-Food program and other frozen Iraqi funds.

## ECONOMIC – Public Sector



Erbil is approved to host international football matches, boosting national pride

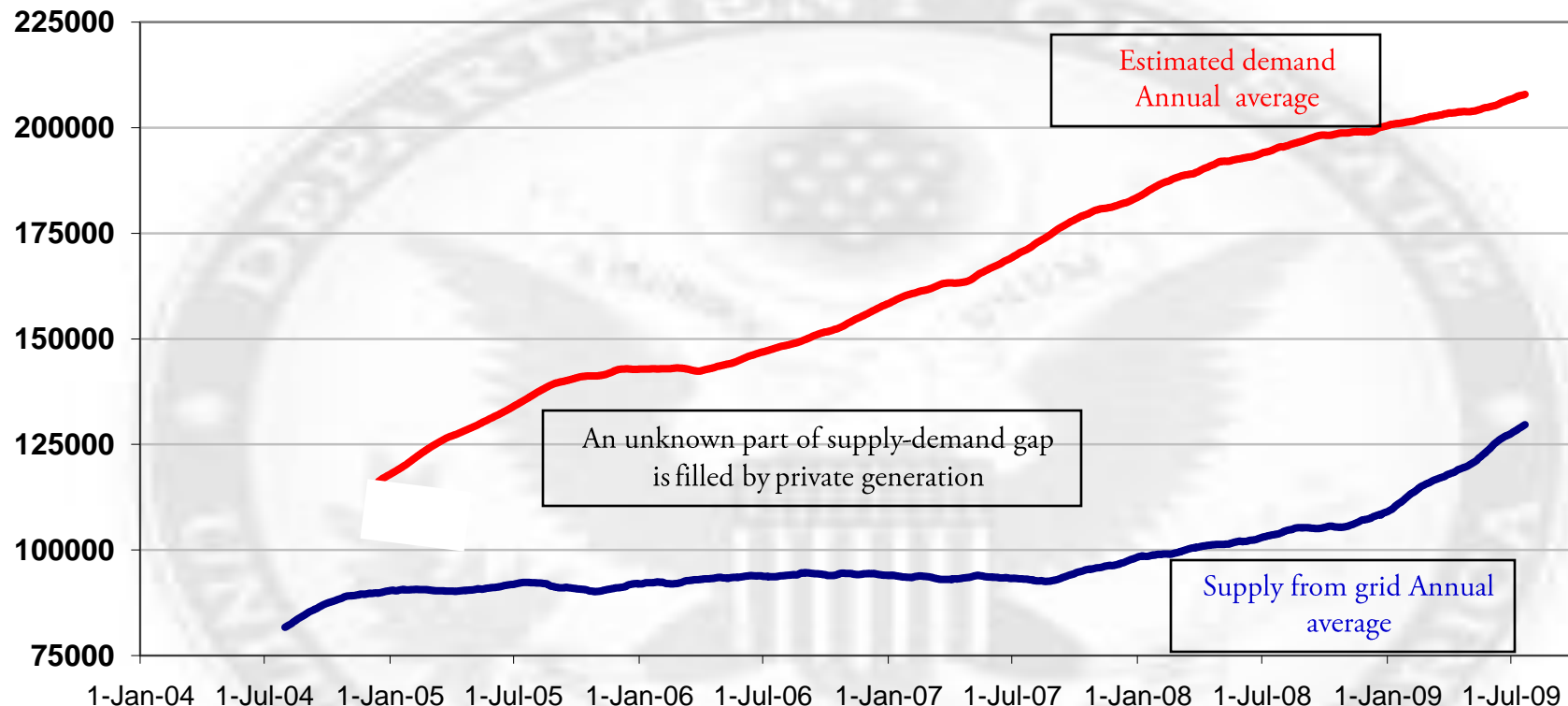
### Erbil Cleared to Host Soccer Matches:

- **The Asian Football Confederation (AFC) cleared the city of Erbil to host soccer matches following the city's success in hosting games between Iraq and Palestine. The Iraq Football Association (IFA) lobbied for Baghdad and Sulaimaniya to also be host cities, but the AFC Executive Committee limited it to Erbil. "Football plays an important role in the lives of the Iraqi people and they are waiting anxiously to watch their national team play the official international matches at home," IFA president Hussein Saeed said.**

## Public Services – Electricity



GOI needs to strengthen policy actions to manage demand and usage patterns



- Electricity supply from the grid July 15-21 was 30% above 2008 and met 63% of estimated demand, compared with 51% for the year earlier period.
- On March 23 the weekly average percentage of estimated demand met reached 76%, its highest level in three years. Since then,, estimated demand has increased more rapidly than supply, reducing the level of demand met to 63%.

## Beyond Baghdad



A villager learns water pump repair

**“...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services.”**

*President Barack Obama*

### *Recent Highlights*

#### *Ninewa*

Eight water pumping stations were either constructed or repaired in order to bring running water to the rural communities outside Mosul in Ninewa province. An increase in the population put a strain on the already taxed system leaving many with little to no access to running water. The new pumps will increase water volume capacity in order to bring water to more villages. Additionally, the project employed 115 local residents which provided a boost to the local economy.

#### *Anbar*

In an effort to promote transparency, Anbar PRT is working with the Provincial Council to increase public awareness of council meetings and to provide citizens with access to government documents. The council is also looking to publish a list of all awarded contracts. Additionally, the PRT is working to bring small businesses into the legal economy through a registration process that is designed to curb the extortion of local business owners by local officials.

#### *Erbil*

A nine-month-long English language skills and teacher training project was launched June 28. The project brings four American English language instructors to teach 2,800 hours of English language skills and teaching methods to 500 university faculty across departments, as well as graduate and undergraduate students, university and government employees.

## DIPLOMATIC – Political Engagement



### PM Maliki and FM Zebari visit the U.S.

#### PM Maliki Visits Washington DC:

- Prime Minister Nuri al-Maliki arrived in Washington DC July 22 to meet with President Obama and other senior U.S. officials. Prior to arriving in Washington DC, PM Maliki was in New York where he met with UN Secretary General Ban Ki-moon and permanent members of the UN Security Council to discuss UN Chapter VII sanctions against Iraq.

#### Foreign Minister Zebari Meets with Secretary Clinton and UN Secretary General:

- Iraqi Foreign Minister Hoshyar Zebari following his July 16 meeting with Secretary of State Hillary Clinton noted in their joint press conference, that Iraq has made significant progress both on internal issues and regionally, and is now working to have UN Security Council Chapter VII sanctions removed. On July 13, Zebari was in New York to discuss related issues with UN Secretary General Ban Ki-moon and members of the UN Security Council. Zebari commented, “We felt a great deal of good will that, really, time has come for Iraq to get rid of all these restrictions and to regain its international standing and position as a normal country.”



## DIPLOMATIC – Political Engagement



PM Maliki and FM Zebari visit the U.S.

### Iraqi Delegation Visits Turkey:

- Iraqi Deputy Prime Minister al-Issawi led a high-profile delegation to Turkey July 19 and met with his Turkish counterpart for economic affairs, Ali Babacan, July 20. According to a statement released by Issawi's office, the two leaders discussed ways to bolster cooperation and improve Iraqi infrastructure, and the use of Turkish ports to transport Iraqi oil. The two sides also agreed to establish a joint delegation comprised of diplomats and businessmen to visit Iraq and study investment opportunities in the country.

### Iraq Calls for Emergency Water Talks with Neighbors:

- Iraq's Ministry of Water Resources released a statement July 20 calling for emergency talks with Turkey and Syria concerning the dramatic decrease in water levels in the Euphrates this month. According to the Ministry, the water level of the Euphrates has fallen by more than half in less than a month. The Ministry is aiming for "an urgent meeting with ministers and experts from the three countries concerned this coming August to discuss the sharing of water and the fluctuation of flows to Iraq," the statement said.



## SECURITY – Situation Update

Iraqi Security Forces demonstrate ability by security major pilgrimage without violence

### Iraqi Security Forces Independently Provide Security for the Shi'a Pilgrimage without Major Violence:

- The annual Shi'a pilgrimage commemorating Imam Mussa al-Kadhim, the seventh of 12 Shi'a Imams, was held in the Kadhamiyah district of Baghdad and ended July 18 without significant violence. This year's pilgrimage, which drew more than four million visitors to the shrine of Imam Mussa al-Kadhim, marks the first year since 2003 that the commemoration has passed without a major incident. In 2005 more than 1000 pilgrims were trampled and killed when rumors of a bomb sparked panic in the large crowd. In an effort to prevent violence, Iraqi Security Forces deployed across the district, closing major streets and banning cars and motorbikes. "The security forces accomplished their mission of protecting the millions of citizens who participated in commemorations," Prime Minister Nuri al-Maliki said. "This success is important because it represented the first test for our security forces since they assumed complete responsibility in our cities."

## SECURITY – Security Transition



ISF continue to take the lead in security across Iraq while U.S. Forces advise

### U.S. Commanders Say Security Transition to Iraqi Forces Improving:

- Three weeks after U.S. combat forces withdrew from Iraqi cities June 30, U.S. commanders in Iraq report the transition of security to Iraqi leadership has improved. Major General Daniel Bolger, commander of Multi-National Division--Baghdad, told reporters at the Pentagon, “Despite those initial frustrations, it seems to be going well. I think each day that goes by we get a little bit better at working together.” Bolger reported that there were “hiccups and friction” following the withdrawal. During a briefing at the Pentagon July 20, Defense Secretary Robert Gates said he received an optimistic assessment from MNF-I Commander General Raymond Odierno, the top American commander in Iraq. “He said that the level of cooperation and collaboration with the Iraqi Security Forces is going much better than is being portrayed publicly and in the media,” Gates said. He added, “It is perhaps a measure of our success in Iraq that politics have come to the country.”

## SECURITY – Security Transition



ISF continue to take the lead in security across Iraq while U.S. Forces advise

### **ISF Arrest Militant Responsible for Rocket Attack on COB Basrah:**

- **ISF arrested an Iranian-backed militant who confessed to conducting an indirect-fire attack on COB Basrah, July 19. Three U.S. soldiers were killed as a result of the indirect-fire attack that took place the evening of July 16. Upon searching the militant's house, the ISF arrested an aide, and discovered four Iranian-made rockets and documents listing names of officials to be targeted.**



## CONTACT INFORMATION

**This brief draws from multiple sources. References are cited on the following pages.**

**For additional information, please see:**

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**Please forward all questions and/or comments to:**

**[NEA-I-IPOG-DL@state.gov](mailto:NEA-I-IPOG-DL@state.gov)**





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